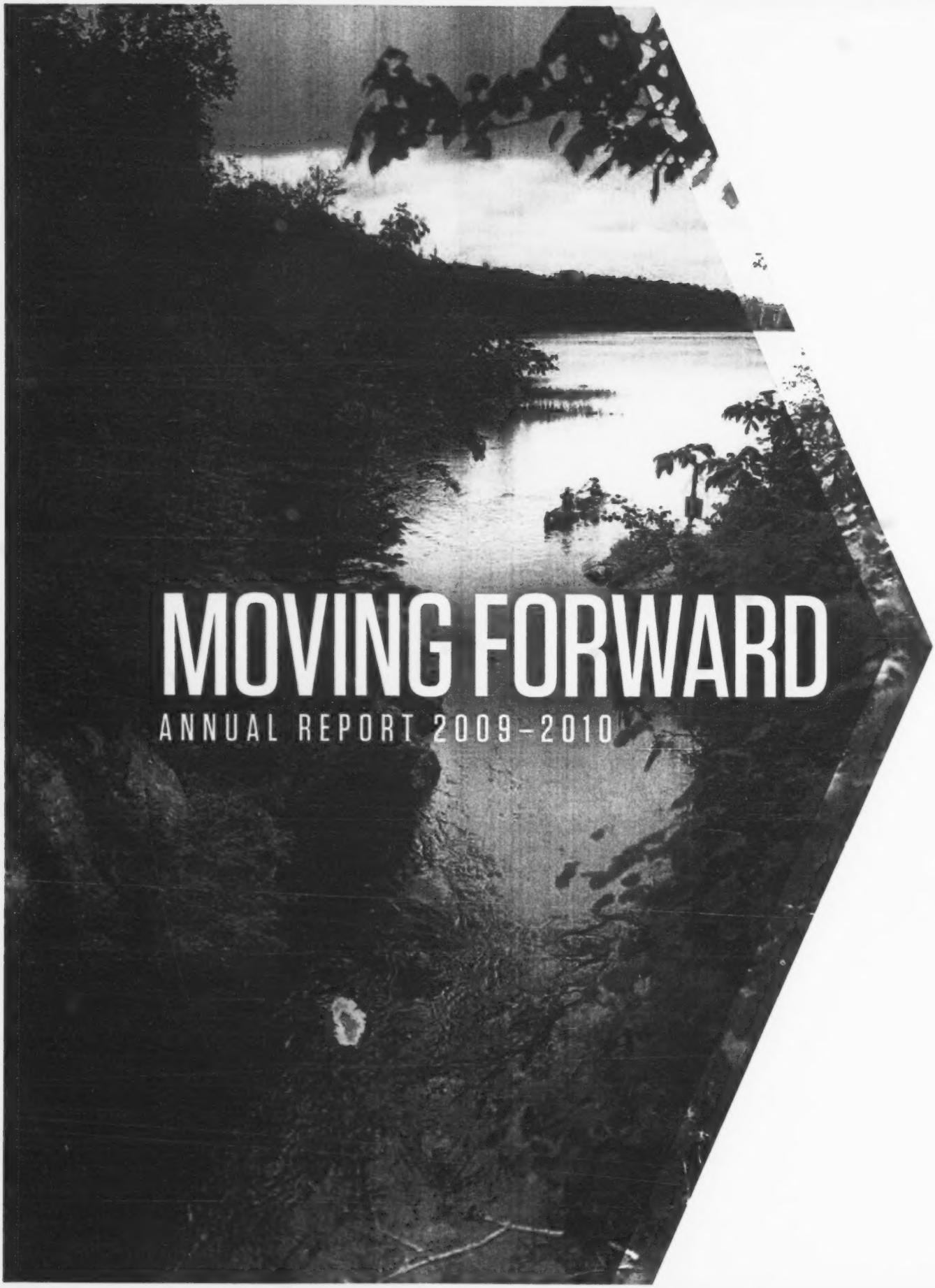

# MOVING FORWARD

## ANNUAL REPORT 2009–2010

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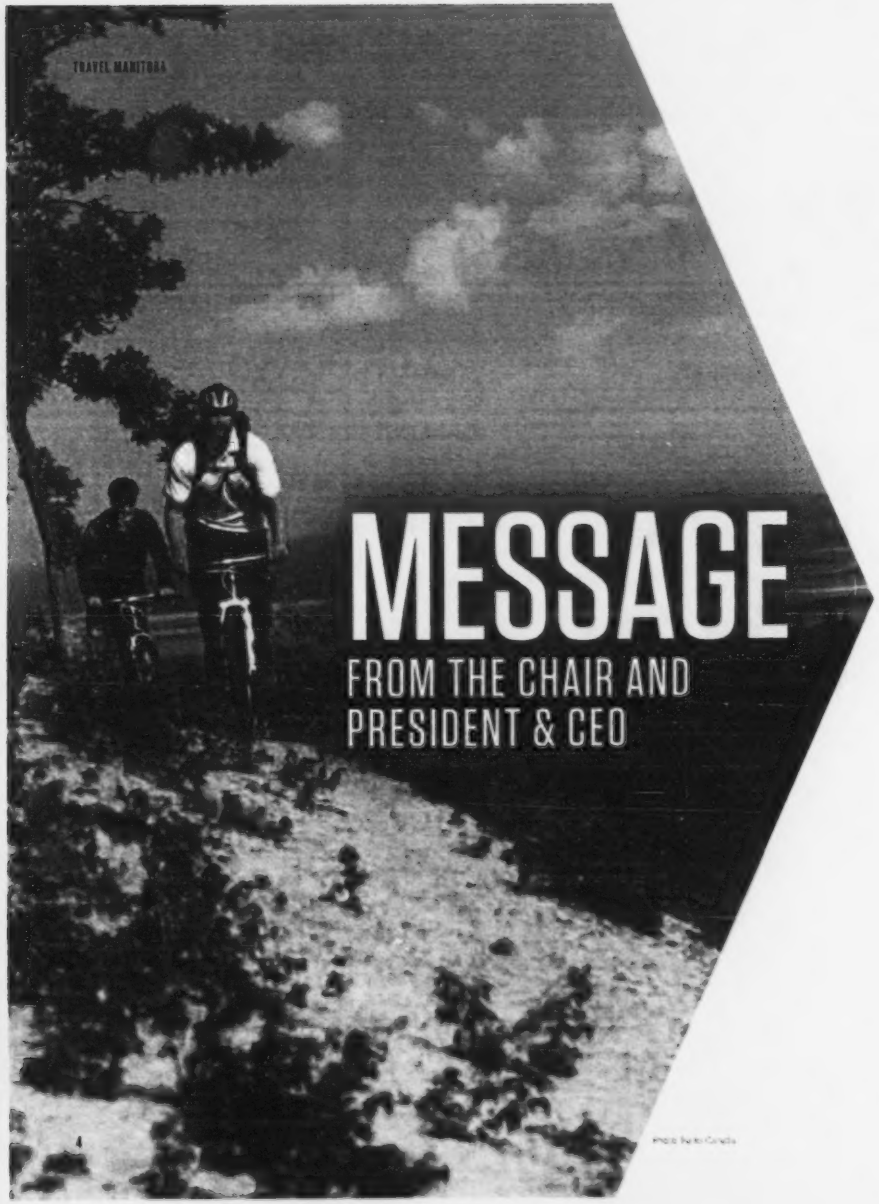



# MESSAGE

## FROM THE CHAIR AND PRESIDENT & CEO





**The tourism industry is a vital contributor to Manitoba's economy and to the quality of life for all Manitobans.**

Generating wealth, jobs and taxes, our tourism industry also provides access to attractions, arts and culture, outdoor activities and festivals and events. The most recent Statistics Canada data shows that Manitoba's tourism industry generated $1.16 million in annual expenditures, or 2.75% of Manitoba's Gross Domestic Product.

After a period of steady growth, the global recession had a significant impact on tourism here and around the world. In addition to difficult economic conditions, increased competition from other tourism jurisdictions continues to pose a challenge for our industry. However, with strong public and private support, Manitoba's tourism industry weathered the decline relatively well, absorbing a 2% decline. In 2009, Canada as a whole saw a decline of 5.5% in total expenditures, according to the Conference Board of Canada.

Industry partnerships are a key factor in Travel Manitoba's ability to market the province as a quality tourism destination. This past year, participation in our marketing programs was at an all-time high. Our re-aligned Industry Advisory Committees have provided valuable direction and insight into plans for our high volume and high yield markets, as well as critical insight into sustainable tourism development.

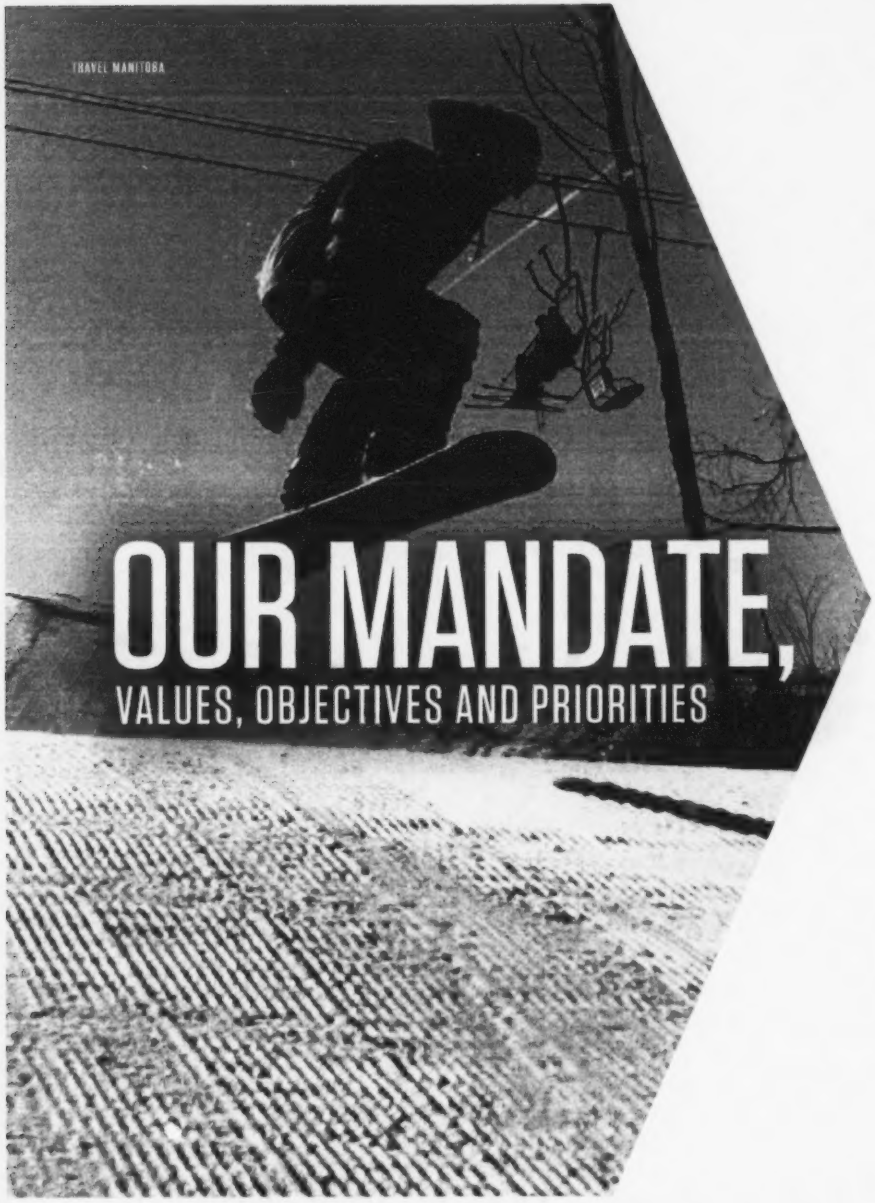
Amidst an increasingly competitive marketplace there are also opportunities to build on established markets and tap into emerging markets. Travel Manitoba is aiming to increase the number of international visitors with support from the federal and provincial governments. An investment of $5 million over three years through the Canada-Manitoba Economic Partnership Agreement has been directed towards international marketing and product development plans. To date this funding has supported enhancements to Travel Manitoba's web-based programs and e-marketing initiatives. We thank the governments of Canada and Manitoba for their support of Manitoba's tourism industry.

As we aim to increase the number of visitors to Manitoba, Travel Manitoba continues to improve our visitor services functions to better serve travellers before, during and after their visit to Manitoba. As well, our industry development initiatives, such as workshops and best practice missions, continue to enhance the overall quality of tourism products in this province.

Although 2009 was a difficult year for the tourism industry, Manitoba managed to garner increased interest from national and international travel trade and media. Long-term plans focused on sustainability and with an emphasis on partnerships will continue to guide Travel Manitoba as we move forward.

**Paul Robson**
Chair of the Board of Directors

**Hubert Mesman**
President & CEO, Travel Manitoba




# OUR MANDATE,
## VALUES, OBJECTIVES AND PRIORITIES



> Travel Manitoba will be a leader in stimulating innovative, sustainable tourism growth in Manitoba.

### Our Mandate

- To market Manitoba as a desirable tourism destination.
- To provide visitor and information services.
- To stimulate productivity and development for people and businesses involved in the tourism industry.
- To enhance the quality and competitiveness of tourism products and services.
- To encourage and participate in tourism consultations and undertakings with individuals, businesses, agencies and government.
- To enhance public awareness of tourism.
- To promote the training, development and employment of people involved in the tourism industry.

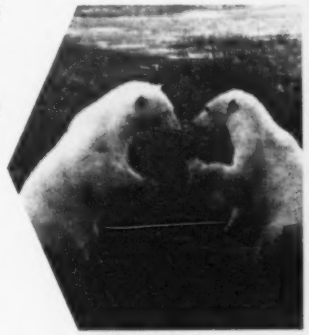
### Our Corporate Values

- Integrity and responsibility
- Partnership and shared investment with the public and private sectors
- Respect for individual differences
- Sustainability
- Innovation in responding to challenges and in seizing opportunities
- Excellence in service
- Open and meaningful communication with stakeholders
- Exceed visitor expectations

### Our Long-term Objectives

Attention to sustainability and continuous improvement will be critical to achieving the following long-term objectives:

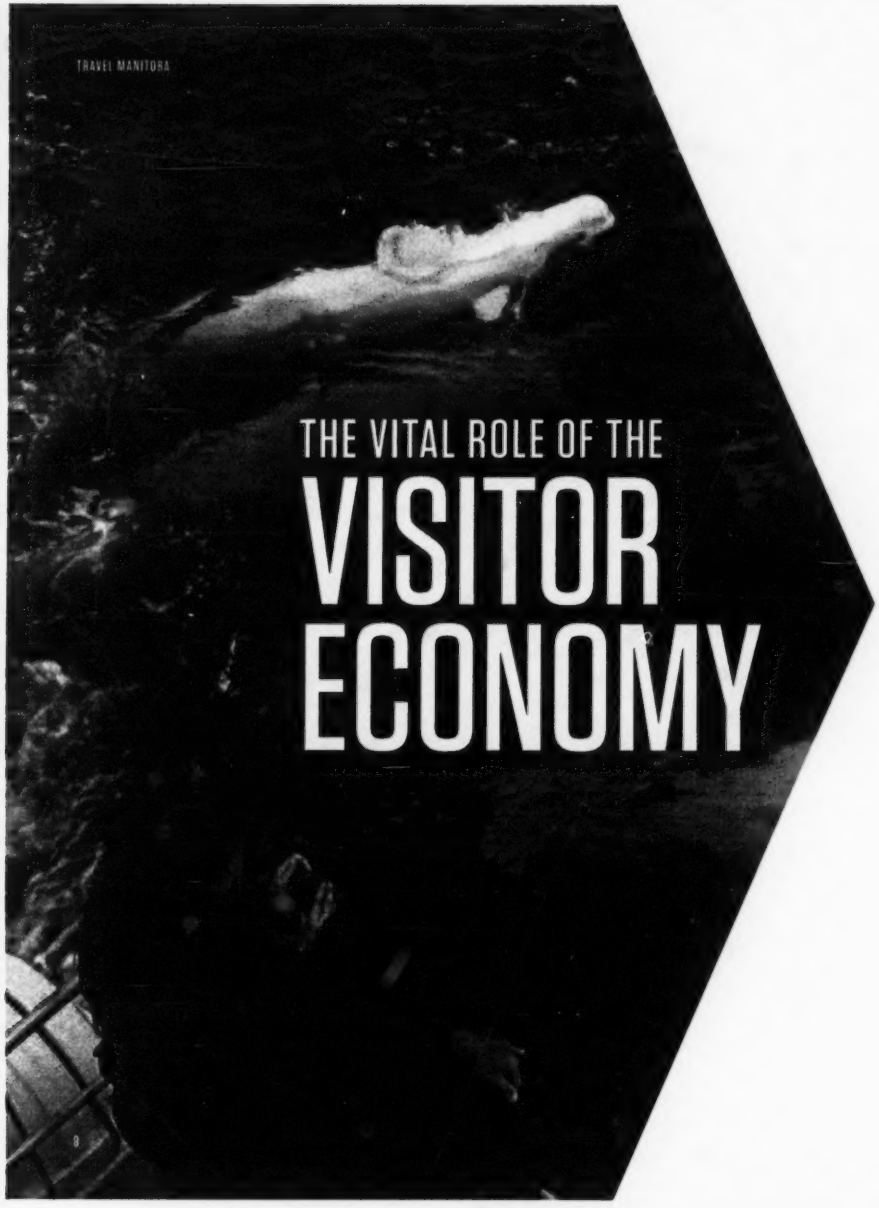
- Increase the tourism industry's contribution to the provincial economy at a faster pace than that forecasted by the Conference Board of Canada by attracting more visitors from external markets and by encouraging residents to vacation in Manitoba.
- Ensure the sustainability of the tourism industry by encouraging and fostering quality experiences that meet the expectations of visitors.



### Our Strategic Priorities

Travel Manitoba will work in partnership with the tourism industry and governments to achieve these objectives by focusing investment on four strategic priorities:

1. Promoting Manitoba as a quality tourism destination;
2. Ensuring exceptional visitor experiences in Manitoba;
3. Fostering a sustainable tourism industry; and
4. Strengthening an efficient and effective organization with a positive corporate culture.



# THE VITAL ROLE OF THE VISITOR ECONOMY



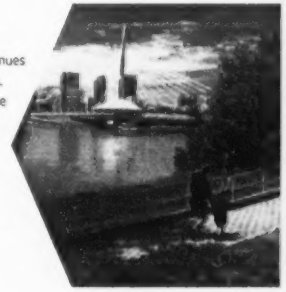


## Manitoba's tourism industry is an important contributor to this province's economy.

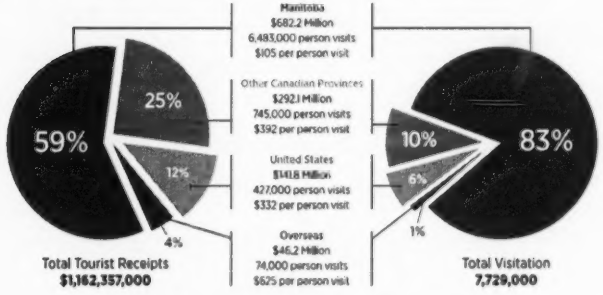
Accounting for 2.75% of Manitoba's GDP and $480 million in export revenue, tourism is a $1.1 billion dollar industry in Manitoba. Total federal, provincial and municipal taxes contributed by tourism wages and expenditures account for $542.6 million.

Over 80% of tourism expenditures in Manitoba are generated by the leisure traveller from the province's high volume markets: Manitoba, North Dakota, Minnesota, Saskatchewan, Ontario and Alberta.

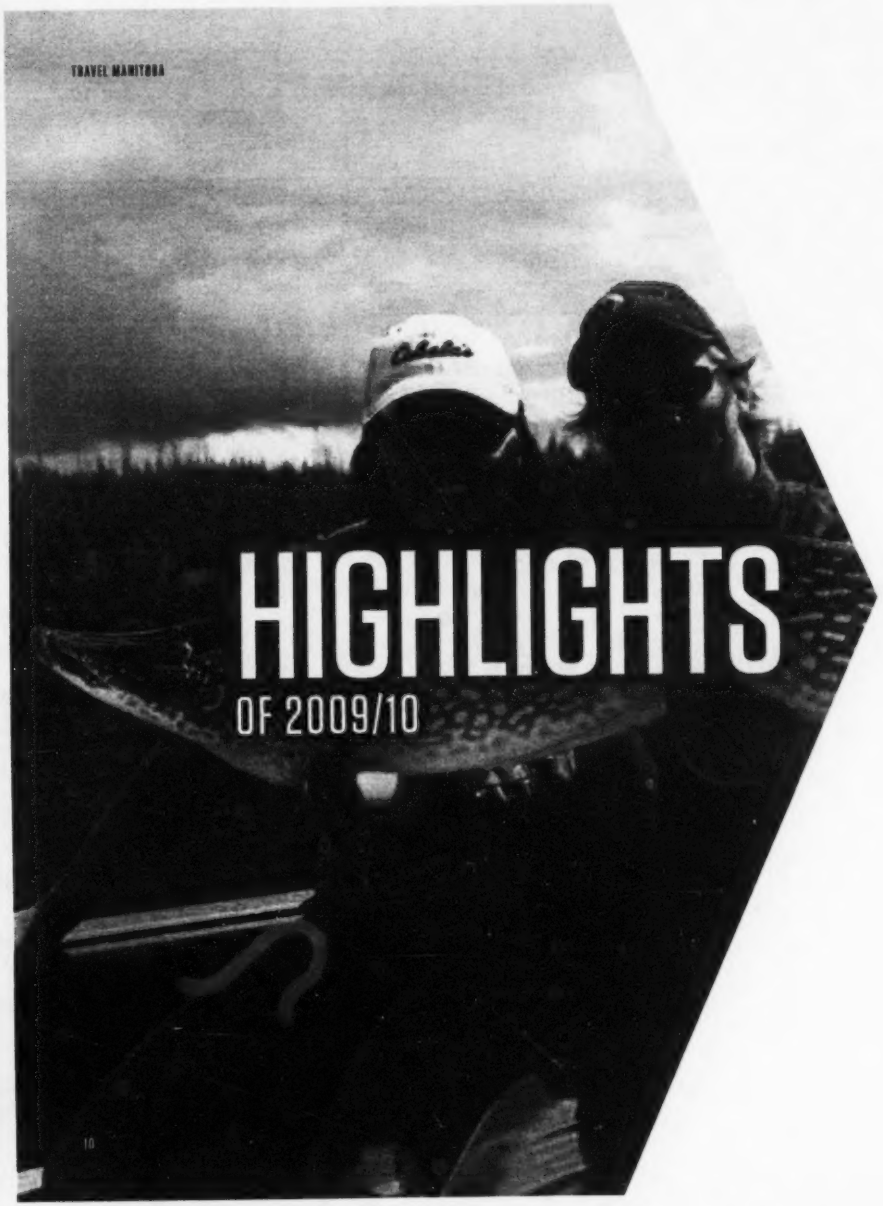
The uniqueness and quality of Manitoba's premier outdoor adventure products continues to draw visitors from international markets. Visitors seeking these experiences generate a higher yield due to the longer duration of visitor stays and the higher daily expenditure. Manitoba's primary high yield markets are the United States, Germany and the United Kingdom. On average, overseas visitors spend over $600 per person while in the province.



### Tourism Receipts & Visitation Overall 2008




Source: Statistics Canada - Travel Survey of Resident of Canada (TSRC) and International Travel Survey (ITS), Research Resolutions - 2008 Detailed Tabulations. Receipts for International Students and Commuters have been removed in the 2008 tables, due to an unacceptably low sample size.



# HIGHLIGHTS OF 2009/10





## E-Marketing and Social Media

In 2009, Travel Manitoba made a commitment to expand its web-based marketing programs to ensure that travelmanitoba.com is the premier planning tool for consumers, media and the travel trade, and to maximize the word-of-mouth generated by social networks. Social media campaigns were launched directed at media and consumers using YouTube, Facebook, Flickr and Twitter, and 11 new niche sites were launched, including:

- Travel trade and consumer sites in German, French, Spanish and Mandarin.
- What's Hot?, a micro site dedicated to the latest goings-on in Manitoba.
- everythingchurchill.com
- birdingmanitoba.com
- unsurpassedwaters.com, dedicated to all forms of paddling the province's rivers and lakes.
- manitobamonsters.com for anglers and hunters.
- unexpectedTV.com, a site that displays the unexpected experiences of Manitoba on video for Internet distribution and television advertising.
- unexpectedmanitoba.com, Travel Manitoba's host site for bloggers. In 2009, a successful pilot project was initiated with bloggers writing on Manitoba's winter experiences and arts and culture.

travelmanitoba.com also added new content and itineraries, and improved the analytics used to measure traffic and visitation patterns. These new initiatives generated strong results:

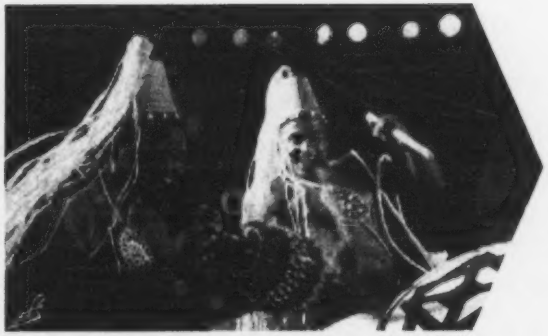
- Industry partners continued to gain more visitation as a result of participation on the Travel Manitoba web site.
- Google Adword campaigns generated 2.4 million impressions and 47,000 click-throughs to partner listings.
- The "It's My Moment" web site generated an inventory of consumer-generated content, with over 14,300 visitors spending an average of eight or more minutes on the site.
- The average visit duration on travelmanitoba.com increased, indicating visitors are finding the information on the site to be intriguing and useful.
- Our e-newsletter campaigns have increased the number of pages viewed by customers by 50%. The e-newsletters show high levels of interest and low rates of discontinuation.

## Celebrating "Unforgettable" Manitoba

Travel Manitoba's domestic market campaign, "Celebrate Manitoba," is part of a long-term strategy designed to ignite Manitoba residents' desire to experience their home province. Travel by residents of Manitoba within the province currently generates over $680 million in tourism revenues annually. A secondary goal is to foster pride of place within Manitobans and encourage them to share this pride with visiting friends and relatives.

In 2009, Travel Manitoba partnered with Tourism Winnipeg, (formerly Destination Winnipeg), the Regional Tourism Associations (RTAs), and the *Winnipeg Free Press* to once again produce the "Celebrate Unforgettable Manitoba" publication, distributed to all *Free Press* subscribers. In addition, media partners CJOB and CTV promoted weekly trip prizes provided by the RTAs.

Travel Manitoba's High Volume campaign, (targeting the primary access travel markets of Manitoba, Alberta, Saskatchewan, Northwest Ontario, North Dakota and Minnesota), focused on promoting our key product sectors: Outdoor Adventure, Fishing, Family Fun, Couples Experiences, and Arts & Culture. Nearly one million copies of a free-standing insert were distributed in local newspapers in these markets, supported by outdoor boards and radio advertising.



Travel Manitoba was able to undertake several new international initiatives in 2009/10, in large part due to funding received under the Canada-Manitoba Economic Partnership Agreement (EPA). This funding – $5 million over three years – is dedicated to the execution of a three-year plan aimed at increasing the number of visitors from international markets to Manitoba, and to ensuring the sustainability of the tourism industry in Manitoba by encouraging and fostering quality experiences that meet the expectations of international visitors.

## Expanded International Marketing Initiatives

Travel Manitoba's international sales and media relations teams play an important role in increasing awareness and exposure of Manitoba in international markets. Many tour operators in markets such as California and Germany are experiencing stable or increasing sales levels, and Manitoba is increasingly being considered as new, exciting and exotic.

**Initiatives and results in 2009/10 included:**

- Attending 11 marketplaces: six in the United States, three in Canada, one in the UK and one in China, generating over 80 leads for industry.
- Conducting six sales missions, in the US, Germany and the UK.
- Leading a delegation of 22 suppliers, the highest number ever to Rendezvous Canada, in Calgary in May, 2009. Travel Manitoba had over 70 appointments with operators from Canada, the US, Germany, Asia, the UK, New Zealand, Australia, Mexico and France, and collectively, industry partners had 389 appointments.
- Hosting a record number – 110 – FAM tours for the travel trade.
- The development of international travel trade and consumer web sites in French, German, Spanish and Mandarin.
- Travel features on Manitoba reached a potential circulation of 278 million in 2009, up from 121 million.
- The media tour program was involved in 96 media trip projects involving 140 people, and five group trips, targeting media in North America, Europe, Mexico and Asia.
- Tracked media coverage of Manitoba in North America and Europe was valued at more than six million, with four million directly attributable to Travel Manitoba's media relations outreach activities.

### The United States:

- Partnering with the Canadian Tourism Commission in print and on-line campaigns targeting Chicago and Los Angeles.
- Conducting sales missions in California, Chicago and Minneapolis, resulting in expanded product offerings and subsequent FAM trips.
- Hosting a FAM tour in partnership with North Dakota, South Dakota and Minnesota under the on-going "2 Nation Tours" marketing partnership, during which eight companies experienced attractions such as Folklorama, Rainbow Stage, the Hermetic Code tour of the legislative building and Aboriginal programming at Oak Hammock Marsh.
- Sponsoring of the All-Canada Outdoors Show and being featured in a $300,000 advertising campaign reaching all ten US markets where the show was held.
- Garnering media coverage in top publications and web sites including tripatlas.com, ABCtv, the *San Francisco Chronicle* and the *LA Times*. Travel Manitoba and the CTC hosted a crew from NBC, the US broadcaster of the Olympic Games, in Churchill and the resulting segment aired to an estimated 20 million viewers during primetime Olympic coverage.
- Attending the Safari Club International (SCI) Annual Hunters' Convention in Reno, Nevada, and continuing the successful Manitoba Monsters promotion, which positions Manitoba as an exciting hunting and fishing destination.
- Attending US marketplaces including the Educational Travel Conference, the National Tour Association marketplace, and the United States Tour Operator Association.

### Germany:

- Continuing to engage Marketing Services International GmbH (MSI) to promote the province in Germany, Austria and Switzerland and to encourage the travel trade to add Manitoba products into their sales channels such as catalogues and web sites. In 2009, key tour operators, such as SK-Touristik, added new Manitoba packages to their catalogues.
- Attending media events in Hamburg, Berlin and Munich. Other MSI activities included consumer e-mail newsletters, updating content on the CTC Germany media web site, and issuing press releases to media contacts in Germany, Austria and Switzerland.
- Marketing initiatives with tour operators including a consumer mailing to the database of Windrose Fernreisen, a catalogue program with SK-Touristik, and participation in a 12-page supplement with DERTour.
- Hosting 36 German travel agents in July, 2009 and another 12 sales agents from DERTour in October.
- Garnering the advertising equivalent of over $800,000 in German publications and web sites.
- Exploring the potential of the fish/hunt market in Germany. Travel Manitoba attended Jagd & Hund in Dortmund, Germany for the first time, an initiative focused solely on the hunting and fishing sector.
- Attending the International Tourism Fair (ITB) in Berlin and meeting with travel trade and media to promote the province.

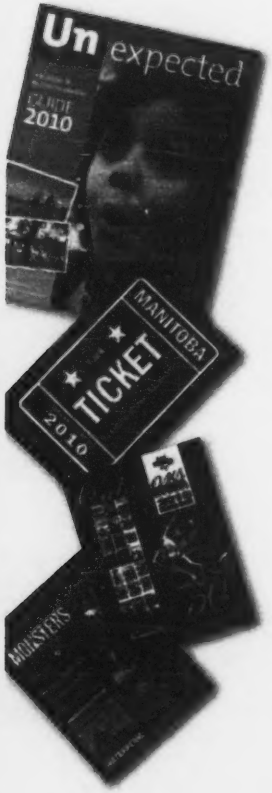
### United Kingdom:

- Hiring a sales agent (First PR) in the UK and hosting six UK travel agents and tour operators in November 2009 on a Winnipeg and Churchill FAM, followed by an industry forum to allow operators to hear directly about the market in the UK, customer preferences and trends.
- Conducting a product audit of 144 tour operators in the UK to determine the number selling Manitoba and the type of product being sold.
- Holding a five day sales mission in the UK, meeting with 18 companies and hosting a tourism forum.
- Contracting with a public relations firm to attend CTC meetings, secure media visits, attend media events, and build media relationships overall in the UK.
- Hosting a UK media event and media briefings in Glasgow, Manchester and London.
- Meeting with tour operators and agents at Spotlight in London in March.

### China:

Travel Manitoba's 2010 to 2013 Business Plan identifies China as one of its emerging target markets. Initiatives conducted in 2009 in preparation for the execution of Approved Destination Status by the Chinese Government include:

- Development of travel trade and consumer web sites in Mandarin.
- Meeting with Chinese tour operators at Showcase Canada in Tokyo and with Chinese operators at CITAP (Canada Inbound Tourism Association Asia Pacific) in Vancouver.




- Attending the Tianjin Tourism Festival in China in partnership with Canada-One Vacations and Global-Bridge Ltd., (based in Winnipeg and Tianjin, China). The purpose of this mission was to introduce Manitoba as a tourism destination to the Tianjin Tourism bureau and to meet with Chinese tour operators. This trip represented a major step in strengthening the relationship between these two regions.

### Mexico:

Travel Manitoba ventured into the Mexican market for the first time in 2009 by attending the CTC-led tradeshow and media marketplace, Conozca Canada and GoMedia Mexico in September. Media relations activities included hosting a Mexican group media trip to see polar bears and individual Mexican media to view northern lights. The resulting published articles to date have reached close to three million people.

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## Improved Research and Market Intelligence

Travel Manitoba is committed to providing industry with research and market intelligence that supports the corporation's business plan and assists business owners and tourism organizations with effective short- and long-term planning.

**Accomplishments in 2009 in support of this goal included:**

**Industry Surveys:** In 2009, Travel Manitoba undertook a series of surveys with Manitoba's tourism industry, including one to evaluate the industry's satisfaction with the corporation's programs and services, and their assessment of the effectiveness of its marketing initiatives. There were 414 operators, from a cross section of sectors, who provided their input.

Key findings included:

- Overall, tourism operators reported being pleased with Travel Manitoba's performance.
- The three offerings with which industry members were most satisfied were the Travel Manitoba Visitor Information Centres, communication to the industry from Travel Manitoba, and the Travel Manitoba visitor web site. Of these, communication to industry and the visitor web site were the two offerings most used by operators.
- In evaluating the effectiveness of the "Unforgettable" brand, 88% of industry felt that using the brand for domestic tourism marketing was somewhat effective, effective or very effective and 87% felt the brand was somewhat effective, effective or very effective for international marketing.
- When asked what key elements and attributes should be emphasized when marketing Manitoba, 36% of industry members said wilderness, nature, environment and parks information, 23% said heritage and culture, followed by 18% who said outdoor activities.

Travel Manitoba will use the results of this survey to continue to excel in areas with which industry operators are most satisfied, and work to make progress in areas where improvement is needed.

**Publications Review:** In January, 2010, Travel Manitoba undertook a review of its core print publications to ensure the effectiveness of the investment, and to assess whether the publications were meeting the needs of potential visitors and industry members.

Among the key findings were that industry members value the publications as a marketing tool for Manitoba and for the advertising opportunities within the guides, although there was support for more online content and a reduction in hard copy publications. In general, consumer participants reported having a positive impression of the publications.

Many voiced a desire for more daytrip and multi-day getaway itineraries, and more information for the novice angler in the Fishing and Hunting Guide. Travel Manitoba will consider these findings in developing its 2011 publications.

**Trip Diary:** The Trip Diary survey provides Travel Manitoba with valuable feedback from visitors who agree to participate in a telephone interview after their vacation. The Trip Diary results are a useful gauge of visitor intentions and activities while travelling in Manitoba. In 2009, 46 industry partners distributed 1,388 Trip Diaries to their in-province and out-of-province customers. Online and telephone interviewing resulted in a total of 771 completed surveys.

Key findings included:

- Leisure (44%) was the most popular trip purpose among survey respondents followed by visiting family or friends (18%), pass-through (14%) and cultural or heritage tourism (7%).
- 23% of the respondents used online newspaper/magazine to plan their trip to Manitoba. Past experience (22%) and word-of-mouth (22%) were also important in trip planning.
- Travel Manitoba's web site or regional web sites, and Travel Manitoba Visitor Information Centres were part of the top five popular information sources used.
- More than half of the visitors (54%) started planning their trip to Manitoba from one to six months in advance.
- 72% of the visitors to Manitoba surveyed were repeat visitors. These visitors tend to be VFR travellers, (Visiting Friends and Relatives), visitors who stayed more than seven nights and Canadian visitors.
- 94% of the visitors indicated that they are either somewhat or very satisfied with their trip to Manitoba. 78% of these people will be somewhat or very likely to return to Manitoba.

**Upgraded Conversion Study:**
Travel Manitoba periodically conducts conversion studies as part of its annual research plan to assess the effectiveness of marketing activities in "converting" inquiries into actual visits to the province. In 2009, the conversion study included web site visitors who participated in the Travel Intention Survey.

Key findings of the 2009 study included:

- 22% of inquirers decided to visit Manitoba following their inquiry, up from 15% in 2007.
- travelmanitoba.com remains the most useful source of information in the decision to visit Manitoba.

## Working with Industry

Travel Manitoba plays a central role in providing industry members with the opportunity to connect with other partners through shared marketing, learning initiatives, celebrating excellence and communicating information affecting tourism.

### Celebrating Excellence: Manitoba Tourism Awards

Travel Manitoba is dedicated to fostering a professional tourism industry by acknowledging outstanding efforts in the creation and delivery of Manitoba tourism experiences. Once again, Travel Manitoba partnered with the Manitoba Hotel Association (MHA) to stage the annual Manitoba Tourism Awards last year. More than 500 members of the tourism and hospitality industry gathered for a gala evening of recognition and celebration at the Winnipeg Convention Centre.

## Fostering Professionalism through Education

**Manitoba Tourism Conference**

The 2009 Manitoba Tourism Conference, also presented jointly with the Manitoba Hotel Association (MHA), drew over 300 tourism industry professionals for a series of discussions and workshops, highlighted by the insights of some of North America's foremost innovative thinkers, including Peter Yesawich, Chairman and CEO of Ypartnership, and Jeremy Gutsche, founder of trendhunter.com and host of Trend Hunter TV.

**Workshops, Webinars and Best Practice Missions**

Travel Manitoba provides industry with professional development opportunities, including workshops, webinars and best practice missions. In 2009, these included:

**Workshops:**

- Tourism Community Champions (Neepawa, September 14, 2009)
- Packaging with Partners (Teulon, November 5, 2009)
- How to Improve your Media Relations (Winnipeg, April 28, 2009)
- Using EQ to your advantage (Winnipeg, April 28, 2009 / November 17, 2009)

**Webinars:** Travel Manitoba presented a series of webinars to help tourism operators make the most of using the Internet as a marketing tool. Susan Sweeney, Internet marketing expert and author of eight Internet marketing books, offered participants insightful ideas and practical advice in each of the five webinars: Formula for Tourism Online Success, How to Optimize Your Site for Top Search Engine Ranking, Email Marketing and Landing Pages, Partnering and Cross Promotion to Increase Traffic and Latest Internet Marketing Trends.

**Best Practice Missions**

- **Aboriginal Tourism (October 1–4, 2009):** Eleven Manitoba leaders in Aboriginal tourism participated in hands-on experiences and benefitted from unique interaction with suppliers on Vancouver Island, BC.
- **Agri-tourism (October 14–16, 2009):** Twelve members of Manitoba's emerging agri-tourism sector participated in a best practice mission in southwestern Ontario and partook in a diverse range of on-farm experiences, from entertainment to farming, to value-added fruit production, to organic operations and exposure to sector-based marketing initiatives.

## Improved Communications to Industry

Travel Manitoba shares research and information about marketing opportunities, consumer demands and travel trends to better enable industry to take advantage of emerging opportunities and prepare for upcoming challenges. Some of the improvements in communication in 2009 include:

- Improvements to the Tourism Industry web site, including the addition of a "Tourism Business Tool Box" that includes information on upcoming conferences and workshops, planning and assessment tools, tourism standards and certification, other tourism associations and organizations, research and market intelligence and industry news.
- An enhanced and expanded industry magazine, *Voyageur*, distributed three times a year and full of information on tourism events, product development, research, and interviews with tourism leaders.





## Enhancing the Visitor Experience

Travel Manitoba recognizes that the visitor experience can be improved by collaborating effectively with business and government to build a stronger visitor service network that provides tourists with information and advice at all stages of their journey.

A strategic plan for Visitor Services, with feedback from the High Volume Advisory Committee, outlined Travel Manitoba's intention to move ahead with the delivery of new initiatives aimed at achieving the following vision for Visitor Services:

**Travel Manitoba will be the visitor's most respected and reliable source of travel information in Manitoba.**

This vision will be achieved by strategically focusing on improving customer relationship management and access to enhanced visitor service programming within the province.

To ensure customers receive exceptional service at all stages of their planning cycle, Travel Manitoba's plan includes tactics to address visitor needs before they arrive, during the trip and after they leave Manitoba. To achieve this goal, a new visitor services affiliate network program has been introduced. Partnerships with existing visitor service centres across the province will increase access to a wide variety of information.

In addition to these partnerships, in 2009 the Visitor Services staff at the corporation's flagship centre – the Explore Manitoba Centre at The Forks in Winnipeg – made significant improvements in harmonizing delivery of visitor services with Parks Canada. Similarly, discussions are on-going with the future Canadian Museum of Human Rights to collaborate on visitor service delivery.

Travel Manitoba also has six signature visitor information centres at points of entry to the province. These centres are dated in terms of design and physical condition. They are in need of considerable capital investment. A Visitor Information Centre needs assessment was conducted and a capital development plan will be completed in 2010.

## Major Events

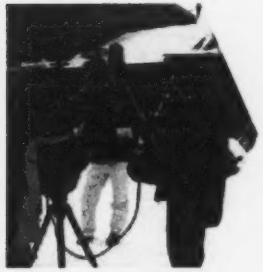
Travel Manitoba continues to work with Tourism Winnipeg, Sport Manitoba, the Province of Manitoba, the City of Winnipeg and other organizations on a strategic, proactive and long-term approach to attracting meeting and conventions, sporting, arts and other special events to Manitoba that are mid- to large-scale national and international events.

**Highlights of major events include:**

## Rendezvous Canada

In preparation for Rendezvous Canada (RVC) in Winnipeg in 2010, Travel Manitoba partnered with Tourism Winnipeg and Manitoba's tourism industry to make an impression on Canadian and international delegates at RVC 2009 in Calgary. RVC is the premier international marketplace for the buying and selling of Canadian tourism products, staged by the Tourism Association of Canada in cooperation with the Canadian Tourism Commission.

Travel Manitoba and Tourism Winnipeg co-hosted a luncheon and closing reception in Calgary, featuring Manitoba music, food and hospitality. In partnership with WestJet, over 100 representatives from Manitoba's tourism industry served as Manitoba ambassadors and table hosts, encouraging RVC delegates to travel to Winnipeg for RVC 2010.



An estimated 20 million viewers watched the stories featuring Manitoba during NBC's primetime Olympic coverage.

### Vancouver Winter Olympic Games

Manitoba's diversity and tourism experiences were promoted to the world at the Vancouver Olympic Games with CentrePlace Manitoba, the province's pavilion in downtown Vancouver.

Travel Manitoba was actively involved in this promotion thanks to federal funding that saw the corporation's $250,000 investment matched by the Government of Canada under an agreement with the Tourism Alliance for Western Canada and Western Economic Diversification.

Under the direction of the Manitoba Olympic Secretariat, a branch of the Department of Culture, Heritage and Tourism, CentrePlace Manitoba showcased Manitoba's tourism, business, immigration and sport and highlighted our province's prosperity, opportunity and potential. Panoramic video presentations and virtual tours wowed visitors, as did an interactive preview of the Canadian Museum for Human Rights.

Travel Manitoba assisted with training CentrePlace Manitoba staff and travel counsellors were on hand to greet visitors and answer their questions. Approximately 3,000 to 5,000 people a day visited the pavilion, and all were given a chance to win one of three trips to Manitoba.

Travel Manitoba's media relations division was also active at the Games, participating in a tour of 25 international media as they visited CentrePlace Manitoba, and staffing the BC Media Centre. In November, 2009, Travel Manitoba hosted a crew from NBC – the US broadcaster of the Olympic Games – as they visited Churchill, Manitoba and profiled the polar bears and sled dogs.

### Manitoba Homecoming 2010

Homecoming 2010, a year long signature event targeting former Manitobans to return home to experience a competitive business environment and new attractions, is expected to draw up to 50,000 person visits and generate $20 million in tourism revenue in 2010. Manitoba Homecoming 2010 kicked off in January with a concert featuring an all-star lineup of Manitoba acts and continued with Saison Voyageur, a celebration of Manitoba's winter events. As a founding partner of the initiative, Travel Manitoba highlighted Homecoming and its events in its 2009 promotional and marketing materials, partnering with Tourism Winnipeg and Homecoming on unique Events Guides and highlighting the program in the fall 2009 Celebrate Manitoba domestic campaign.

### World Police and Fire Games

In 2009, Travel Manitoba and Tourism Winnipeg established critical relationships and laid important groundwork for a future bid to host the 2017 Games. Held over ten days every second year, the World Police and Fire Games are the second largest multi-sport event after the Olympics and involve over 10,000 athletes from around the world.





## Meetings and Conventions

Each year, Manitoba hosts meeting and convention delegates from around the world. Globally, the meetings and incentive travel markets bring in over $2.8 billion to Canada each year. Between 2009 and 2016, 183 meetings and conventions have been secured, representing over $49 million in estimated direct spending.

Tourism Winnipeg takes the lead role in selling meetings and conventions in the capital region, along with coordinating bids for sporting and special events. Travel Manitoba concentrates on the promotion of pre- and post-event tours to rural areas, and in supporting the work of Brandon First and Destination Dauphin in attracting conventions and events.

## Partnerships

Collaboration with strategic partners is a cornerstone of the long-term success of Travel Manitoba in fulfilling its mandate. Travel Manitoba plays a central role in providing industry members with the opportunity to connect with other partners through shared marketing, research and learning initiatives, celebrating excellence and communicating information affecting tourism.

A major aspect of Travel Manitoba's marketing focus is on providing opportunities for small and large businesses to work together to attract visitors. In doing so, Travel Manitoba is able to extend the reach and impact of its marketing efforts. In turn, operators with limited resources can benefit from the cumulative effect of these efforts in priority markets. Despite challenging economic times, industry invested over $650,000 in partnership programs to extend the reach of the marketing campaign.

### Manitoba Tourism Education Council

The Manitoba Tourism Education Council (MTEC) is an important partner in the development of tourism in Manitoba.

Travel Manitoba works in collaboration with MTEC on such initiatives as the annual conference, workshops and labour issues. In 2009, MTEC participated in a Tourism Community Champions workshop in Neepawa and provided a regular tourism column for Travel Manitoba's industry publication, *Voyageur*.

Travel Manitoba and MTEC will continue to work together to provide complementary educational and training opportunities and to invest in the development of Manitoba's tourism professionals.

### Manitoba Agriculture, Food and Rural Initiatives (MAFRI)

As agriculture is a key contributor to Manitoba's economy, it's not surprising that agri-tourism is now recognized as an important sector for growth within the province's tourism industry. From farms, festivals and fairs, to corn mazes, fruit stands and B & Bs, agri-tourism is positioned to play a larger role for tourism in rural communities.

Recognizing the potential for growth, MAFRI produced a development framework for agri-tourism strategies in 2009. Travel Manitoba's participation on an agri-tourism advisory committee is designed to guide the development of agri-tourism initiatives and the delivery of agri-tourism products, as well as to identify programming opportunities to address the needs of the Manitoba agri-tourism industry.

## Regional Tourism Associations

Manitoba's seven regional tourism associations (RTAs) are valued partners of Travel Manitoba, providing front line links to the broad and diverse tourism industry. The corporation works collaboratively with the regional associations to increase visitation from high volume markets. In 2009, Travel Manitoba worked with the RTAs and the *Winnipeg Free Press* in the production of the publication "Celebrate Unforgettable Manitoba," a unique guide to the regions' events and attractions designed to motivate Manitobans to travel throughout the province.

## Manitoba Lodges and Outfitters Association

Inventive new marketing efforts in 2009 involving members of the Manitoba Lodges and Outfitters Association (MLOA) saw Manitoba's brand recognition rise significantly in key fishing and hunting markets in the US. A new promotional theme – "Manitoba Monsters" – made its debut at outdoors expos in Minneapolis and Chicago. Travel Manitoba supported the MLOA's efforts to extend awareness of Manitoba's hunting product by attending a key hunting tradeshow, the Safari Club International (SCI) Annual Hunters' Convention in Reno, Nevada. To build on the success of its marketing activities in 2009/10, Travel Manitoba will increase its fishing and hunting budget in 2010/11 to develop initiatives targeting the United States and Germany.

## Tourism Winnipeg

(formerly Destination Winnipeg)

Tourism Winnipeg and Travel Manitoba have established a strong working relationship that clearly defines roles and responsibilities, eliminates duplication and works within a framework that guides a true provincial tourism strategy.

Working together with industry partners in 2009, the two organizations collaborated in selling to the meetings and conventions sector through Team Winnipeg and to the group tour market through Winnipeg Tour Connection. Further partnership supported attracting sports and special events as well as promoting Winnipeg's arts and culture scene through the *Culture on Every Corner* campaign.

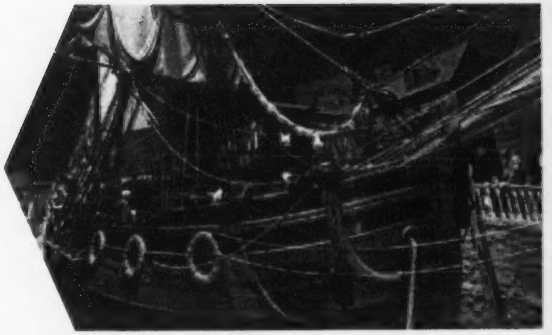
## Canadian Tourism Commission

Travel Manitoba built on its positive working relationship with the Canadian Tourism Commission in 2009/10, leveraging their national marketing efforts to gain greater exposure for Manitoba operatives. Initiatives in 2009 included partnerships in CTC campaigns targeting the United Kingdom, Germany, Chicago and California, highlighting the tourism experiences in Churchill. Travel Manitoba also partnered in the highly successful "Locals Know" program, designed to encourage Canadians to spend their travel dollars at home.

Travel Manitoba was also able to secure financial support of the CTC to bring 40 journalists to Manitoba throughout the year from the US, Germany, the UK, Mexico, Japan, China, Australia and Canada.

## Partnering to Deliver the Aboriginal Tourism Strategy

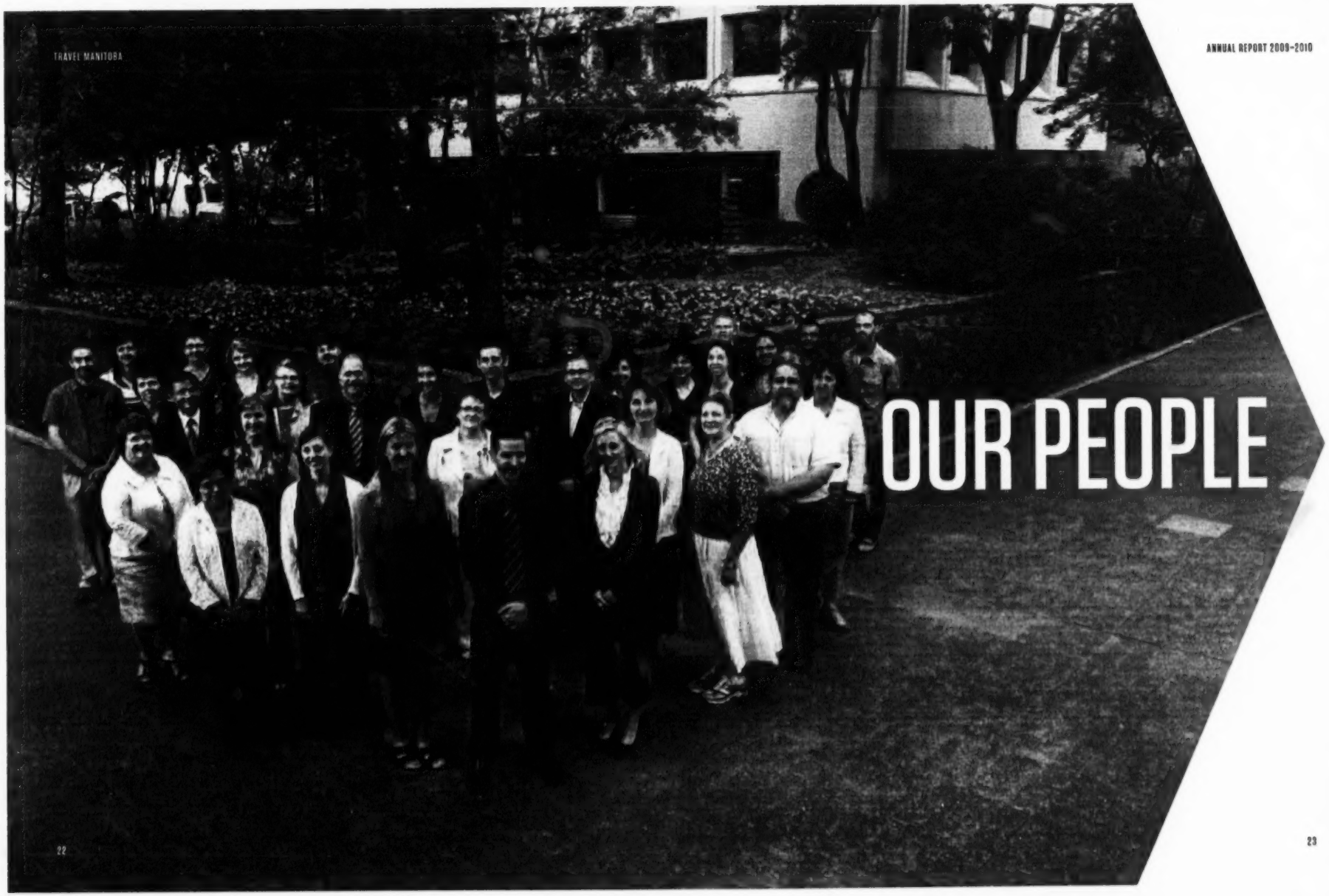
Travel Manitoba continues to collaborate with and support the efforts of EAST Inc., the Manito Ahbee Festival organization, and other Aboriginal tourism stakeholders to execute the Aboriginal Tourism Strategy developed by the Province of Manitoba. The provincial Aboriginal Tourism Strategy focuses on engaging Aboriginal people in the tourism industry by creating business and employment opportunities as well as by enhancing the Aboriginal cultural tourism product. Travel Manitoba will continue to work to develop partnerships that support the development of urban and rural clusters as well as the promotion of market-ready Aboriginal cultural products.



## Partnering to Deliver the Francophone Tourism Strategy

Travel Manitoba works in partnership with the *Conseil de développement économique des municipalités bilingues du Manitoba* (CDEM), the French Language Services Secretariat, *Tourisme Riel*, and the *Corridor touristique francophone de l'Ouest* (CFTO) to build capacity and visitation to francophone communities and their regions in Manitoba.

In 2009/10, Travel Manitoba upgraded its online presence in French by closely mirroring a new French consumer site to the English site, complete with French "Ambassadors," as well as a new travel trade web site in French. Travel Manitoba also partnered with Tourism Winnipeg to host a travel trade FAM featuring the Festival du Voyageur and supported a Franco-Manitoba media trip with media from Quebec and France.



# OUR PEOPLE

Travel Manitoba's people are vital links in the provincial tourism industry, consistently demonstrating their dedication to enhancing tourism in Manitoba through program development and administration.

Our people are committed to fiscal responsibility, accountability and generating solid results. We are proud of the team at Travel Manitoba, which has shown innovation and creativity in supporting the achievements of the tourism industry.

Travel Manitoba is responsible to the Minister of Culture, Heritage and Tourism.

It is governed by a 15-member board of directors with management, financial and legal authority under the *Travel Manitoba Act*. The Board provides policy direction and leadership to the organization and provides the President & Chief Executive Officer with the responsibility to implement the policies and programs of the corporation.

## Office of the President & CEO

| | |
|---|---|
| **Hubert Hasman** | President & Chief Executive Officer |
| **Carol McDonald** | Executive Assistant |

## Planning and Market Development

This division prepares product and market development plans for priority markets by working in collaboration with other agencies, governments and the tourism industry. Key program areas include market intelligence, corporate business planning, consumer and travel trade business development and e-marketing.

| | |
|---|---|
| **Brigitte Sandron** | Senior Vice President, Planning and Market Development |
| **A.J. Kelly** | Administrative Assistant |
| **Mark Clarke** | Manager, Market Development |
| **Kathy Heffernan** | Business and Planning Analyst |
| **Dené Sinclair** | Travel Trade Manager, US and Canada |
| **Lionel Johnston** | International Sales Consultant |
| **Kevin Palmer** | Fish/Hunt Consultant |
| **Lilian Tankard** | Manager, Partnership Programs |
| **Lindsay Penner** | Assistant, Partnership Programs |
| **Michel LaRivière** | Coordinator, Partnership Programs |
| **Rick Gaunt** | Manager, Market Intelligence |
| **Yan Cong** | Research Analyst |
| **Ryan Schultz** | Information Services Coordinator |
| **Rock Trembath** | E-Marketing Coordinator |
| **Jeanette Kosie** | Database Clerk |





## Advertising and Communications

This division supports the overall brand development and awareness marketing of Manitoba with professional expertise in media and public relations, advertising, publications, web-marketing and corporate communications.

| | |
|---|---|
| **Linda Whitfield** | Vice President, Advertising & Communications |
| **Cindy Schirrmann** | Administrative Assistant |
| **Stephanie Bachewich** | Production Manager |
| **Nico Wlock** | Design & Production Coordinator |
| **Betty Hammond** | Database Administrator |
| **Cathy Senecal** | Manager, Media Relations |
| **Jillian Brown** | Media Relations Specialist |
| **Alexis McEwen** | Communications Coordinator |

## Corporate Services

This division supports financial administration as well as delivering human resource services by providing financial reporting, payroll and benefit services, staffing services and general office support and administration.

| | |
|---|---|
| **Penny Stilwell** | Director, Corporate Services |
| **Diane Bobbitt** | Finance Coordinator |
| **Sarah Bekeris** | Corporate Services Coordinator |
| **Roberta Harris** | Accounting Clerk |

## Industry Development/Visitor Services

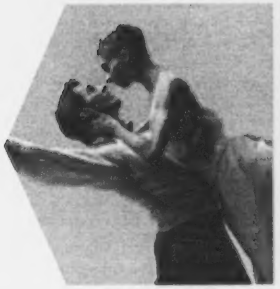
This division plans and delivers initiatives designed to enhance the tourism industry's ability to meet the demands and expectations of visitors with quality services and products. The division also delivers the Visitor Services function providing call centre services, inquiry fulfillment and management of visitor information centres.

| | |
|---|---|
| **Wayne Copet** | Director, Industry Development and Visitor Services |
| **Laurenda Hadill** | Manager, Industry Development |
| **Karla Pratt** | Program Coordinator, Industry Development |
| **Lori Schmitt** | Manager, Visitor Services |
| **Marnie Watson** | Travel Counsellor – Explore Manitoba Centre |
| **Terry Kolodaychuk** | Travel Counsellor – Explore Manitoba Centre |
| **Nadine Tremblay** | Travel Counsellor – Explore Manitoba Centre |
| **Marlowe Baiton** | Travel Counsellor – Explore Manitoba Centre |
| **Geneviève Bourrier** | Travel Counsellor – Explore Manitoba Centre |
| **Lori Klan** | Travel Counsellor – Emerson |
| **Lyall Wilson** | Distribution Supervisor, Warehouse |
| **Derek Dabee** | Store Clerk, Warehouse |

# BOARD OF DIRECTORS

**Mr. Paul Robson (Chair)**
Strategic Advisor
Canad Inns

**Mr. Barry Rempel (Vice Chair)**
President and Chief Executive Officer
Winnipeg Airports Authority



**Mr. George Alevizos**
Controller
Manitoba Government and
General Employees' Union

**Ms. Cynthia Campbell**
Corporate Controller
Canadian Wheat Board

**Ms. Michelle Gervais**
Owner
Ô TOURS Inc.

**Ms. Helen Halliday**
General Manager
Delta Winnipeg

**Mr. Bill Knowlton**
Vice President Sales & Marketing
Jonview Canada Inc.



**Ms. Claudette Leclerc**
**(Audit Committee Chair)**
Executive Director
The Manitoba Museum

**Ms. Marion Horberg**
Board Member
Spirit Way

**Ms. Karen Oliver**
General Manager
Provincial Exhibition of Manitoba

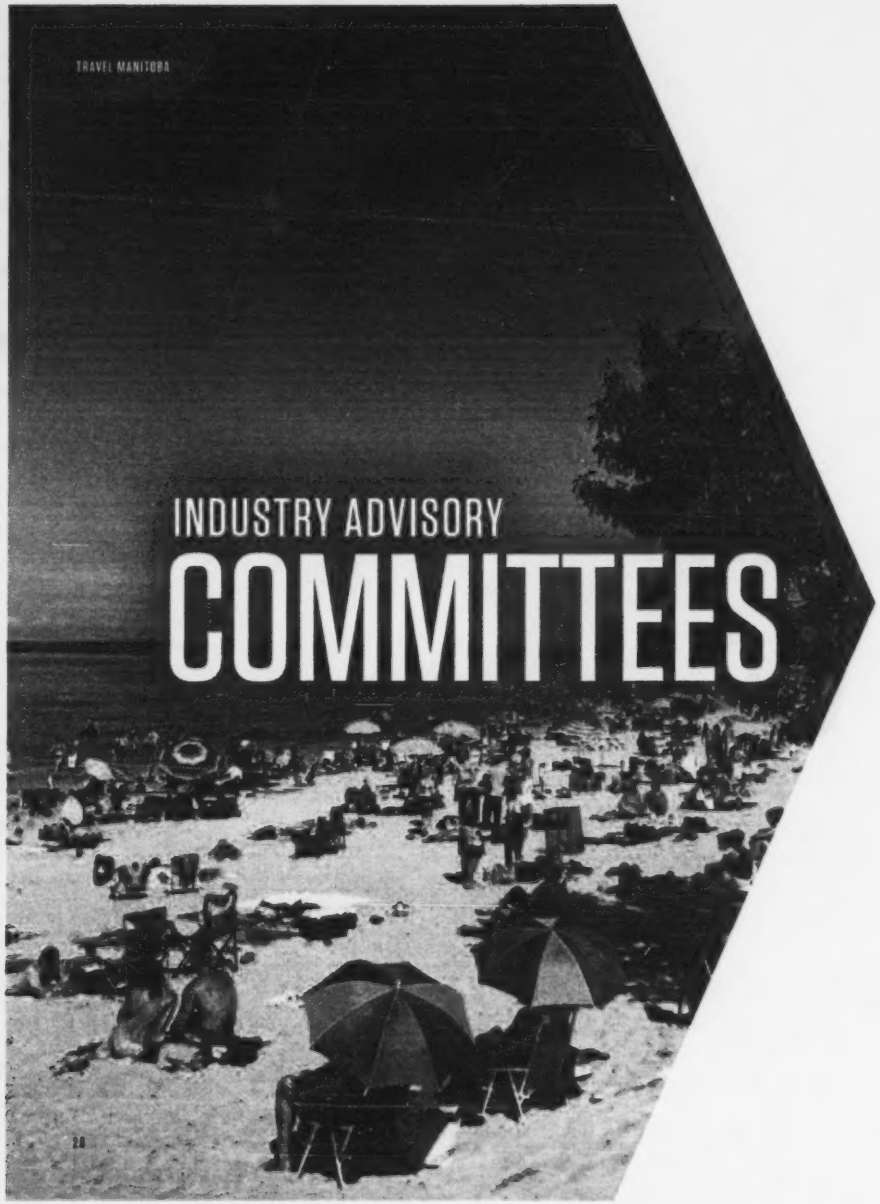
**Mr. Doug Ramsey**
**(Nominating Committee Chair)**
Associate Professor
Brandon University



**Mr. Michael Spence**
Owner
Wat'chee Lodge and Seaport Hotel



**Mr. Gerry Turenne**
President & CEO
Turenne et Cie (2005) Ltée



# INDUSTRY ADVISORY COMMITTEES

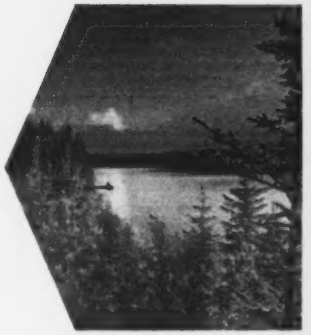




## Sustainable Tourism
### Industry Advisory Committee Members

**Michael Campbell (Chair)**
Associate Professor B.R.S. Program
Faculty of Kinesiology and Recreation Management

| | |
|---|---|
| **Doug Ramsey** | Associate Professor<br>Arts, Rural Development, Brandon University |
| **Shannon Fontaine** | Chief Executive Officer<br>Manitoba Tourism Education Council |
| **Denis Smith** | General Manager<br>Inn at The Forks |
| **Merv Gunter** | Owner<br>Frontiers North Adventures |
| **Kathi Thorarinson-Neal** | 1st Vice President<br>Icelandic Festival of Manitoba |
| **Clem Jones** | Owner/Operator<br>Opasquia Tours |
| **Gerry Turenne** | President & CEO<br>Turenne et Cie (2005) Ltée |
| **Raquel Lincoln** | Owner/Operator<br>Pinewood Lodge |
| **Terry Welsh** | Executive Director, Tourism Secretariat<br>Manitoba Culture, Heritage & Tourism |
| **Ryan Suffron** | Executive Director<br>Manitoba Lodges and Outfitters Association |
| **Richard Dupuis** | Visitor Experience Manager<br>Riding Mountain National Park |
| **Fiona Scurrah** | Senior Environmental Assessment Officer<br>Manitoba Hydro |



# High Volume
## Industry Advisory Committee Members

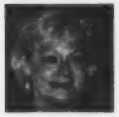
**Trudy Schroeder (Chair)**
Executive Director
Winnipeg Symphony Orchestra

| | |
|---|---|
| **Lorne W. Perrin** | Vice President, Marketing and Park Services<br>Assiniboine Park Conservancy |
| **Barry Bentham** | Director, Parks & Natural Areas<br>Manitoba Conservation (GS) |
| **Margaret Redmond** | Executive Director<br>Assiniboine Park Conservancy |
| **Marc George** | Director<br>The Central Museum of the Royal Regiment of Canadian Artillery |
| **Kim Jasper** | Director, Marketing & Partnerships<br>Canadian Museum for Human Rights |
| **Sandra Rosenberg** | Director of Sales & Marketing<br>Holiday Inn Winnipeg South |
| **Paul Jordan** | Chief Operating Officer<br>The Forks Renewal Corporation |
| **Gloria Spence** | Executive Producer<br>Manito Ahbee |
| **Karen Oliver** | General Manager<br>Provincial Exhibition of Manitoba |
| **Chantal Sturk-Nadeau** | Vice President, Tourism Development<br>Tourism Winnipeg |
| **Maria Paletta** | Director, Sales & Marketing<br>Hecla Oasis Adventures – Winnipeg Sales Office |
| **Carolin Taubensee** | Executive Director, Corporate Marketing<br>Manitoba Lotteries Corporation |
| **Dorothy Dobbie** | President<br>Pegasus Publications |
| **Josée Vaillancourt** | Executive Director<br>Festival du Voyageur |
| **Chantal Champagne** | Tourism Officer<br>Conseil de développement économique des municipalités bilingues du Manitoba (CDEM) |





# High Yield
## Industry Advisory Committee Members



**Joanne Sigurdson (Chair)**
Partner
Manitoba Uniglobe Travel

| | |
|---|---|
| **Heather Hinam, Ph.D** | Naturalist/Program Director<br>Hecla Oasis Adventures |
| **Gerald R. Azure** | Owner<br>Blue Sky Expeditions |
| **Mike Lodge** | General Manager<br>Elkhorn Resort – Spa, Hotel & Conference Centre |
| **Rick Bohna** | General Manager<br>Big Sand Lake Lodge |
| **Jill Lusty** | Manager, Travel Trade<br>Tourism Winnipeg |
| **Jan Collins** | Consultant, Tourism Secretariat<br>Manitoba Culture, Heritage & Tourism |
| **Rob Currie** | Owner/Operator<br>Wilderness Spirit Adventures |
| **David Pancoe** | Owner/Operator<br>Northern Soul Wilderness Adventures |
| **Ryan Suffron** | Executive Director<br>Manitoba Lodges and Outfitters Association |
| **Leslie Gavin** | Director, Passenger Route Development<br>James Richardson International Airport |
| **Pit Turenne** | Owner/Operator<br>Aikens Lake Wilderness Lodge |
| **Michelle Gervais** | President<br>Ô Tours Inc. Receptive Services |
| **William Young** | Owner<br>Bloodvein River Lodge |
| **John Gunter** | General Manager<br>Frontiers North Adventures |
| **Ron Dare** | Owner/Operator<br>Bear Track Outfitters |
| **David Hatch** | President<br>Aurora Canada Tours Ltd. |
| **Jim Irwin** | Owner/Operator<br>Riding Mountain Guest Ranch |

# FINANCIAL STATEMENTS



## Travel Manitoba

### Financial Statements
for the year ended March 31, 2010

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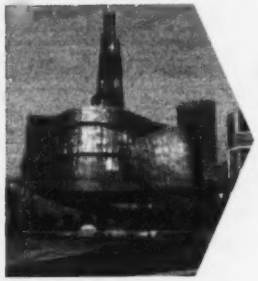

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BDO Canada LLP/s.r.l.
700 - 200 Graham Avenue
Winnipeg MB R3C 4L5 Canada

## Auditors' Report

### To the Members of Travel Manitoba

We have audited the statement of financial position of **Travel Manitoba** as at March 31, 2010 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2010, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Canada LLP

**Chartered Accountants**

Winnipeg, Manitoba
May 4, 2010

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO Canada s.r.l., une société canadienne à responsabilité limitée, est membre de BDO International Limited, société de droit anglais, et fait partie du réseau international de sociétés membres indépendantes BDO.





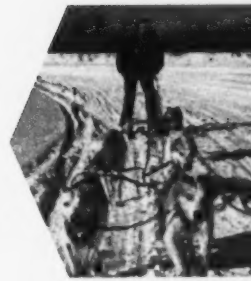
## Travel Manitoba
## Statement of Financial Position

| As of March 31 | 2010 | 2009 (as restated – Note 2) |
|---|---|---|
| **Assets** | | |
| **Current Assets** | | |
| Cash (Note 3) | $ 575,455 | $ 1,263,319 |
| Short-term deposits (Note 3) | – | 219,216 |
| Trade accounts receivable | 1,801,605 | 401,599 |
| Prepaid expenses | 57,128 | 67,245 |
| | 2,434,188 | 1,951,379 |
| **Due from the Province of Manitoba** (Note 4) | 224,433 | 269,550 |
| **Capital Assets** (Note 5) | 148,437 | 163,131 |
| | $ 2,807,058 | $ 2,384,060 |
| **Liabilities and Net Assets** | | |
| **Current Liabilities** | | |
| Accounts payable and accrued liabilities | $ 1,761,080 | $ 1,193,088 |
| **Retirement allowances and other benefits payable** (Note 6) | 491,920 | 475,470 |
| | 2,253,000 | 1,668,558 |
| **Contingencies and commitments** (Note 8) | | |
| **Net Assets** (Page 37) | | |
| Unrestricted | 330,621 | 477,371 |
| Restricted for purchase of capital assets | 75,000 | 75,000 |
| Invested in capital assets | 148,437 | 163,131 |
| | 554,058 | 715,502 |
| | $ 2,807,058 | $ 2,384,060 |

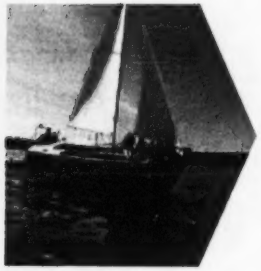
Approved on behalf of the Board:

Director

Director



The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.



## Travel Manitoba
## Statement of Operations

| For the year ended March 31 | 2010 | 2009 (as restated – Note 2) |
|---|---|---|
| **Revenue** | | |
| Province of Manitoba | | |
| Operating | $ 7,602,000 | $ 7,544,300 |
| Other initiatives – federal and provincial funding | 1,950,000 | 650,000 |
| Partnership and leveraged marketing | 654,244 | 831,897 |
| Western Diversification Program | – | 105,447 |
| Other | 4,801 | 46,206 |
| | 10,211,045 | 9,177,850 |
| **Expenditures** | | |
| Marketing and product development | 7,704,065 | 6,964,700 |
| Visitor services | 1,404,182 | 1,389,564 |
| Corporate services | 740,137 | 734,316 |
| Contribution to Manitoba Homecoming Inc. | 500,000 | 250,000 |
| Amortization | 24,105 | 26,466 |
| | 10,372,489 | 9,365,046 |
| **Deficiency of revenue over expenditures for the year** (Page 37) | $ (161,444) | $ (187,196) |

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

## Travel Manitoba
## Statement of Changes in Net Assets

| For the year ended March 31 | | | | 2010 | 2009 (as restated –Note 2) |
|---|---|---|---|---|---|
| | Unrestricted | Restricted for Purchase of Capital Assets | Invested in Capital Assets | Total | Total |
| **Net assets,** beginning of year | | | | | |
| as previously reported | $ 588,894 | $ 75,000 | $ 163,131 | $ 827,025 | $ 1,009,298 |
| adjustment to superannuation benefits (Note 2) | (111,523) | – | – | (111,523) | (106,600) |
| as restated | 477,371 | 75,000 | 163,131 | 715,502 | 902,698 |
| **Deficiency of revenue over expenditures for the year** (Page 36) | (137,339) | – | (24,105) | (161,444) | (187,196) |
| **Acquisition of capital assets** | (9,411) | – | 9,411 | – | – |
| **Net assets,** end of year (Page 35) | $ 330,621 | $ 75,000 | $ 148,437 | $ 554,058 | $ 715,502 |

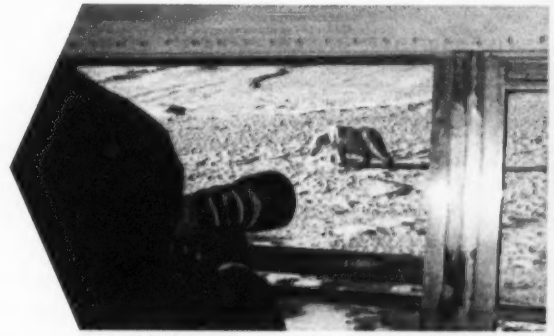
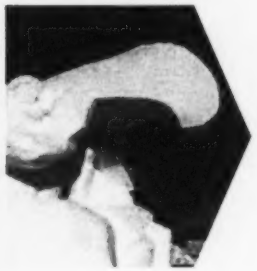


Photo: Travel Manitoba Adventures

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.



## Travel Manitoba
## Statement of Cash Flows

| For the year ended March 31 | 2010 | 2009 (as restated – Note 2) |
|---|---|---|
| **Cash Flows from Operating Activities** | | |
| Deficiency of revenue over expenditures for the year | $ (161,444) | $ (187,196) |
| Adjustment for non-cash items | | |
| Amortization | 24,105 | 26,466 |
| | (137,339) | (160,730) |
| Changes in non-cash working capital | | |
| Trade accounts receivable | (1,400,006) | 558,474 |
| Prepaid expenses | 10,117 | (32,650) |
| Accounts payable and accrued liabilities | 567,992 | (189,430) |
| Deferred revenue | – | (30,447) |
| | (821,897) | 305,947 |
| Due from Province of Manitoba | 45,117 | 8,923 |
| Retirement allowance and other benefits | 18,450 | (13,091) |
| | (897,669) | 141,049 |
| **Cash Flows from Investing Activities** | | |
| Acquisition of capital assets | (9,411) | (69,832) |
| Net change in short-term deposits | 219,216 | (5,530) |
| | 209,805 | (75,362) |
| **Net increase (decrease) in cash and cash equivalents** | (687,864) | 65,687 |
| **Cash and cash equivalents**, beginning of year | 1,263,319 | 1,197,632 |
| **Cash and cash equivalents**, end of year | $ 575,455 | $ 1,263,319 |

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.



## Travel Manitoba
## Summary of Significant Accounting Policies

**For the year ended March 31, 2010**

### Basis of Reporting

The financial statements of the Organization have been prepared in accordance with Canadian generally accepted accounting principles.

### Capital Assets

Capital assets are recorded at cost and amortized on a declining balance basis at the following rates:

| | |
|---|---|
| Computer hardware | 30% straight-line |
| Computer software | 30% straight-line |
| Furniture and equipment | 5% straight-line |
| Leasehold improvements | 5% straight-line |

### Revenue Recognition

The Organization follows the deferral method of accounting for contributions. Grant revenue is recognized in the period earned. Partnership and marketing revenue are recognized when services are rendered if the amount to be received can be reasonably estimated and collection is reasonably assured.

The Organization recognizes revenue arising from non-monetary transactions in the period when services have been rendered if the amount to be received can be reasonably estimated and collection is reasonably assured.

### Financial Instruments

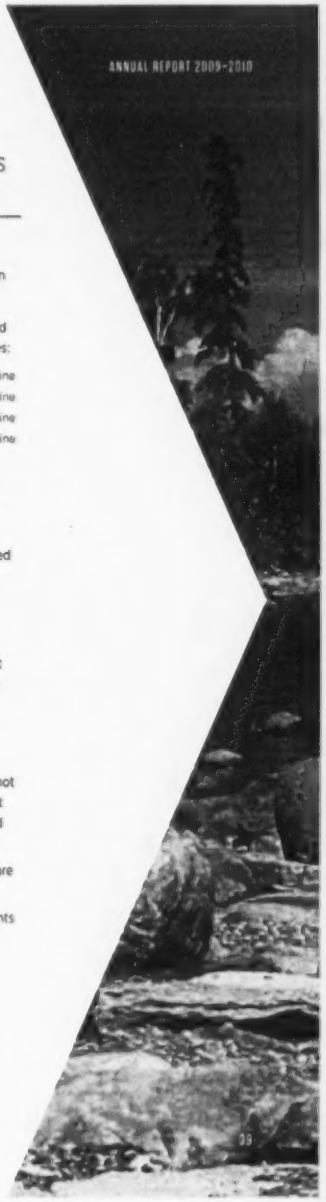
The Organization utilizes various financial instruments. Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant interest, currency or credit risks arising from these financial instruments and the carrying amounts approximate fair values.

All transactions related to financial instruments are recorded on a settlement date basis.

The Organization classifies its financial instruments as follows based on the purpose for which the asset was acquired and follows the disclosed accounting policy for each category.

| Assets/Liability | Category | Measurement |
|---|---|---|
| Cash | Held for trading | Fair value |
| Short-term deposits | Held for trading | Fair value |
| Trade accounts receivable | Loans and receivables | Amortized cost |
| Due from Province of Manitoba | Loans and receivables | Amortized cost |
| Accounts payable and accrued liabilities | Other financial liabilities | Amortized cost |





# Travel Manitoba
## Summary of Significant Accounting Policies

**For the year ended March 31, 2010**

### Financial Instruments (continued)

- Held for trading items are carried at fair value, with changes in their fair value recognized in the statement of operations.
- Other financial liabilities are carried at amortized cost, using the effective interest method.
- Loans and receivables are carried at amortized cost, using the effective interest rate method, less any provision for impairment.

Transaction costs are expensed as incurred.

### Restricted Fund for Acquisition of Capital Assets

A fund has been established by the Board of Directors in order to finance the future acquisition of capital items which are not funded by the Province of Manitoba through the provision of operating grants. Charges to the fund will occur at the discretion of the President and Chief Executive Officer. Any future redesignation of the fund balance would be subject to approval by the Board of Directors.

### Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

### Retirement Allowances and Other Employee Future Benefits

The organization provides retirement allowance and pension benefits to its employees.

Retirement allowances are provided to certain qualifying employees. The benefits are provided under a final pay plan. The costs of benefits earned by employees are charged to expenses as services are rendered. The costs are actuarially determined using the projected benefit method and reflect management's best estimates of the length of service, salary increases and ages at which employees will retire. Actuarial gains and losses are recognized in income immediately.





Travel Manitoba
Summary of Significant Accounting Policies

For the year ended March 31, 2010

### Retirement Allowances and Other Employee Future Benefits (continued)

Employees of the organization are provided pension benefits by the Civil Service Superannuation Fund ("the Fund"). Under paragraph 6 of the *Civil Service Superannuation Act*, the organization is described as a "matching employer" and its contribution toward the pension benefits is limited to matching the employees' contributions to the Fund.

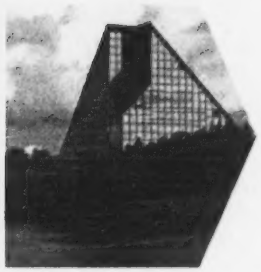
In addition, one employee is entitled to enhanced pension benefits. The plan is based on final pay and is indexed. The cost of the benefits earned by the employee is charged to expenses as services are rendered. The cost is actuarially determined using the projected benefit method and reflects management's best estimate of salary increases and the age at which the employee will retire.

### New Accounting Pronouncements

A recent accounting pronouncement that has been issued but is not yet effective, and has a potential implication for the Organization, is as follows:

Future for Not-for-Profit Organizations (NPO)

The Accounting Standards Board (AcSB) is currently developing new accounting standards for not-for-profit organizations (NPOs). Until such a time that the AcSB makes a final decision, all NPOs will continue to follow accounting standards currently in effect.



## Travel Manitoba
## Notes to Financial Statements

**For the year ended March 31, 2010**

### 1. Nature of Organization

Travel Manitoba was created as a Crown Corporation on April 1, 2005 under *The Travel Manitoba Act* as the culmination of extensive consultation and leadership from both the tourism industry and the provincial government. Travel Manitoba's mission is to be the leader in stimulating innovative, sustainable tourism growth in Manitoba. Travel Manitoba collaborates closely and in partnership with the tourism industry and governments to attract visitors to Manitoba, sustaining and creating jobs and businesses in the tourism sector in the province.

Travel Manitoba receives core funding from the Province of Manitoba to facilitate operations and to mobilize public and private resources to further foster the growth and professionalism of the tourism industry in Manitoba. Travel Manitoba is economically dependent on the Province of Manitoba, because it derives a significant portion of its revenue from the Province of Manitoba.

### 2. Adjustment to Retirement Allowance

During the current year, the Organization received an actuarial report valuing the liability of the superannuation pension as at March 31, 2007. Adjustments were required to record this liability as well changes to the estimated liability for the years ended March 31, 2008 and March 31, 2009. The effect on the prior year financial statements as a result of this report are as follows:

| | As previously reported | Adjustment | As restated |
|---|---|---|---|
| Opening unrestricted net assets | $ 814,533 | $ (106,600) | $ 707,933 |
| Accounts payable and accrued liabilities | 1,201,165 | (8,077) | 1,193,088 |
| Retirement allowances and other benefits payable | – | 119,600 | 119,600 |
| Corporate service expense | 729,393 | 4,923 | 734,316 |

### 3. Cash and Short-term Deposits

The Organization invests all surplus cash into short-term deposits with the Province's Treasury Division. These deposits are made up of 30, 60 and 90 day callable term deposits.





Travel Manitoba
Notes to Financial Statements

**For the year ended March 31, 2010**

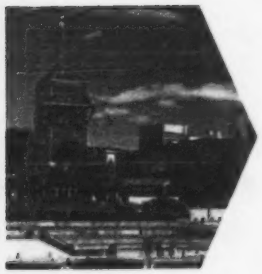
### 4. Due from the Province of Manitoba

Upon inception on April 1, 2005, the Organization recorded accumulated severance pay benefits receivable and payable of $368,937 transferred from the Province of Manitoba for its employees. This receivable, or portion thereof, for the Organization, will be collected by the organization as severance benefits are paid to employees on record as at April 1, 2005.

During the year, the Organization reduced the receivable from the government in the amount of $45,117 related to employees no longer employed by the Organization. The receivable from the Province of Manitoba as at March 31, 2010 is $224,433 (2009 – $269,550).

### 5. Capital Assets

| | 2010 | | 2009 | |
|---|---|---|---|---|
| | Cost | Accumulated Amortization | Cost | Accumulated Amortization |
| Computer hardware | $ 88,429 | $ 45,547 | $ 80,631 | $ 29,668 |
| Computer software | 29,503 | 23,969 | 29,503 | 20,947 |
| Furniture and equipment | 13,666 | 2,045 | 12,053 | 1,494 |
| Leasehold improvements | 97,679 | 9,279 | 97,679 | 4,626 |
| | $ 229,277 | $ 80,940 | $ 219,866 | $ 56,735 |
| Cost less accumulated amortization | | $ 148,437 | | $ 163,131 |



## Travel Manitoba
## Notes to Financial Statements

**For the year ended March 31, 2010**

### 6. Retirement Allowances and Enhanced Pension Benefits

The Organization measures its accrued benefit obligation for each of the retirement allowance and enhanced pension benefits as at March 31 of each year. The most recent actuarial valuation report for the retirement allowance was at March 31, 2010 and the most recent finalized and approved actuarial valuation report for the enhanced pension benefits was at March 31, 2007.

The significant actuarial assumptions adopted in measuring the Organization's retirement allowance obligation and costs are as follows:

| | 2010 | 2009 |
|---|---|---|
| Benefit costs for the year ended March 31 | | |
| Discount rate | 7% | 7% |
| Rate of compensation increase | 3.25% | 3.25% |
| Employer contributions | $ 115,813 | $ 103,670 |

The significant actuarial assumptions adopted in measuring the Organization's enhanced pension benefit and costs are as follows:

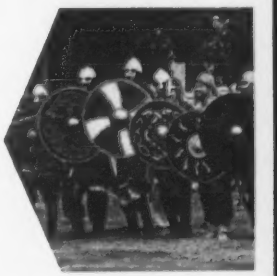
| | 2010 | 2009 |
|---|---|---|
| Benefit costs for the year ended March 31 | | |
| Discount rate | 7% | 7% |
| Rate of compensation increase | 4.25% | 4.25% |
| Employer contributions | $ 14,600 | $ 13,000 |





Travel Manitoba
Notes to Financial Statements

For the year ended March 31, 2010



### 7. Financial Risk Management

The Organization is exposed to different types of risk in the normal course of operations, including credit risk and market risk. The Organization's objective in risk management is to optimize the risk return trade-off, within set limits, by applying integrated risk management and control strategies, policies and procedures throughout the Organization's activities.

#### Credit Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. Financial instruments which potentially subject the Organization to credit risk consist principally of accounts receivable.

The Organization's maximum exposure to credit risk without taking account of any collateral or other credit enhancements is as follows:

| | 2010 | 2009 |
|---|---|---|
| Trade accounts receivable | $ 1,801,605 | $ 401,599 |
| Due from the Province of Manitoba | 224,433 | 269,550 |
| | $ 2,026,038 | $ 671,149 |

Trade amounts: The Organization is not exposed to significant credit risk as the receivable is spread among a broad client base and payment in full is typically collected when it is due. The Organization establishes an allowance for doubtful accounts that represents its estimate of potential credit losses. The allowance for doubtful accounts is based on management's estimates and assumptions regarding current market conditions, customer analysis and historical payment trends. These factors are considered when determining whether past due accounts are allowed for or written off.

Other amounts receivable: The Organization is not exposed to significant credit risk as these receivables are substantially all from provincial and federal governments.

## Travel Manitoba
## Notes to Financial Statements

**For the year ended March 31, 2010**

### Market Risk

Market risk is the risk the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign exchange risk and other price risk.

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Organization is not exposed to significant interest rate risk. Its short-term deposits are held in short-term or variable rate products.

The Organization is not exposed to significant foreign currency risk as it does not have any financial instruments denominated in foreign currency and the number of transactions in foreign currency are minimal and the Organization is not exposed to other price risk.

### Fair Value

The carrying values of cash, short-term deposits, trade accounts receivable, due from the Province of Manitoba and accounts payable and accrued liabilities approximate their fair value due to the relatively short periods to maturity of these items or because they are receivable or payable on demand.

## 8. Contingencies and Commitments

The Organization has entered into lease agreements expiring March 2011 for rental of facilities at various locations with total annual payments of $653,487.

The Organization has access to a loan guarantee with the Province of Manitoba for $1,500,000. The guarantee will enable Travel Manitoba to establish a line of credit up to this amount for the purpose of providing advances and profit guarantees as part of bid proposals and preparation efforts being undertaken in attracting various events to take place in Manitoba. As at March 31, 2010, this line of credit had not been drawn upon. However, $400,000 of the loan guarantee is encumbered against the profit guarantee committed to the Brandon Wheat Kings for hosting the 2010 Memorial Cup. In addition, subsequent to March 31, 2010 a further $200,000 was encumbered for Sport Manitoba related to the World Indigenous Games.





## Travel Manitoba
## Notes to Financial Statements

**For the year ended March 31, 2010**

## 9. Non-monetary Transactions

In the current year, the Organization entered into contracts with exchanges of non-monetary services for other non-monetary services with little or no monetary consideration involved. These transactions are within normal business activities and were done in order to carry out the mandate of the Organization.

The Organization has used the fair value of the services that have been given up in order to measure the amount of the transaction as this is the more reliable and accurate measure of the revenue and expenses that have been incurred through these transactions. The aggregate amount of all non-monetary transactions in the current year total $73,000 (2008 - $89,600).

The Organization has not incurred any gains or losses in the current year with respect to these non-monetary transactions.

## 10. Capital Management

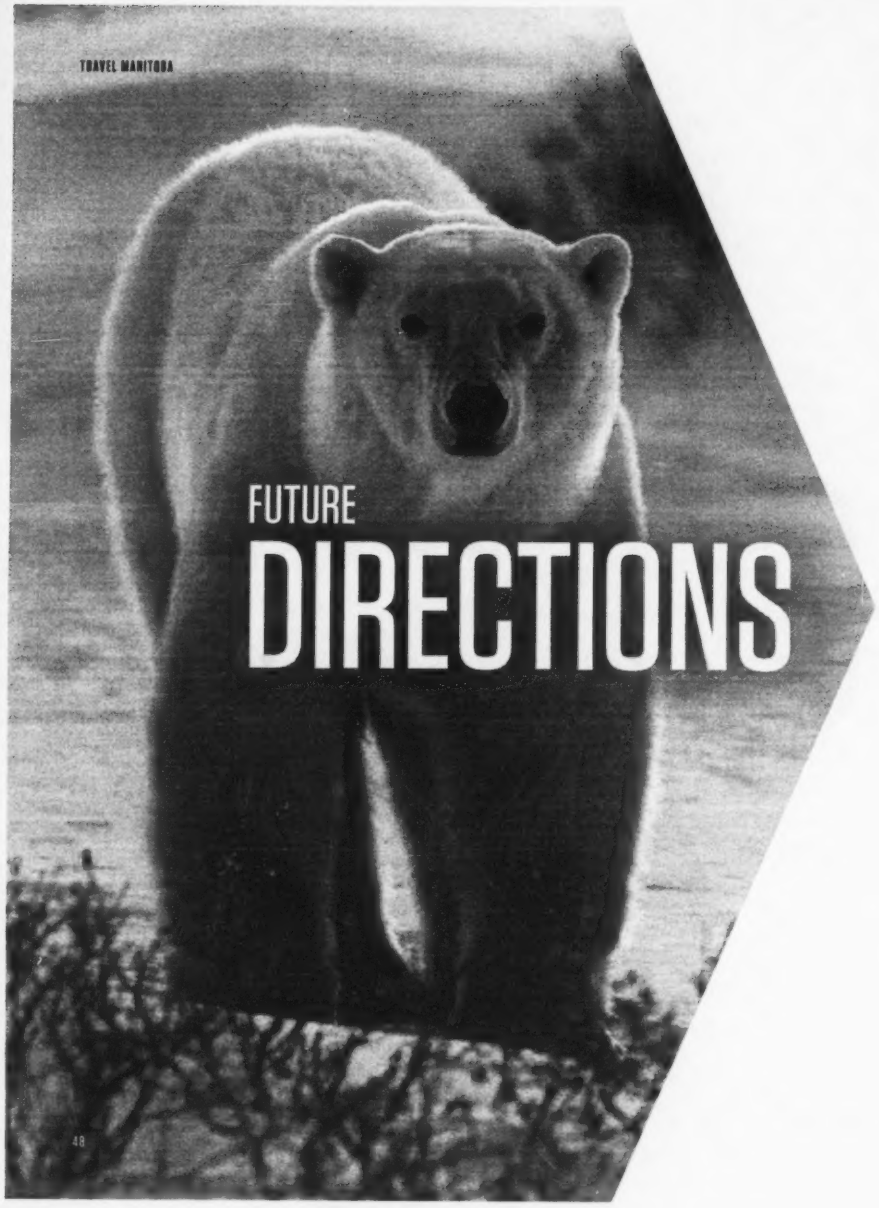
The Organization considers its capital to comprise its unrestricted net assets, restricted capital for purchase of capital assets and its investment in capital assets. There have been no changes to what the organization considers to be its capital since the previous period.

As a not-for-profit entity, the Organization's operations are reliant on revenues generated annually. The Organization has accumulated unrestricted net assets over its history. A portion of these accumulated funds is retained as working capital which may be required from time to time due to timing delays in receiving its primary funding.

The remaining funds are available for the use of the Organization at the Board's discretion.

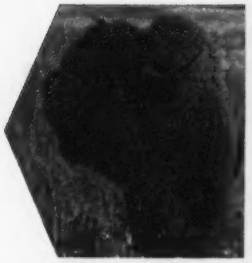
## 11. Comparative Figures

Certain of the comparative figures for the year ended March 31, 2009 have been restated to provide better comparison to the current year's presentation. The net earnings for the year remain as previously reported.



# FUTURE DIRECTIONS

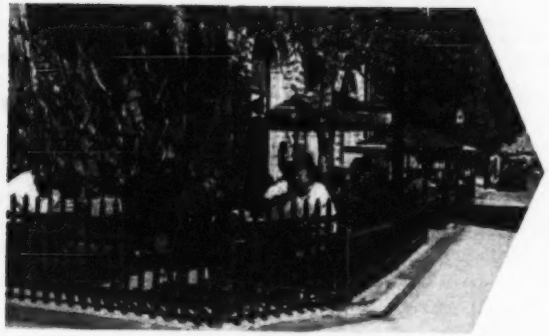
Travel Manitoba has developed a strategy to stimulate sustainable, incremental tourism growth over the next three years.



This plan will continue to build on the corporation's four strategic priorities:

### Promoting Manitoba as a quality tourism destination

Travel Manitoba's goal is to increase awareness of the province's compelling experiences, and thereby increase intention to travel and actual visitation to Manitoba. Future initiatives will be intended to make travelmanitoba.com a recognized source of high quality visitor information, and will facilitate the purchase of experiences through the travel trade channels and on-line. Travel Manitoba will also look to leverage the tourism benefits and lasting legacies of Manitoba Homecoming 2010 and Winnipeg's designation as a Cultural Capital of Canada for 2010.



## Ensuring exceptional visitor experiences

Travel Manitoba will strive to position Manitoba as a world-class experience to visitors to encourage word-of-mouth and repeat visitation. Future initiatives will focus on the development of a tourism infrastructure that supports a quality, sustainable experience at all stages of the visitor's journey. The implementation of a strategic plan for Visitor Services will include the on-going development of a Visitor Services Network, and capital improvements to some Visitor Information Centres.

## Fostering a sustainable tourism industry

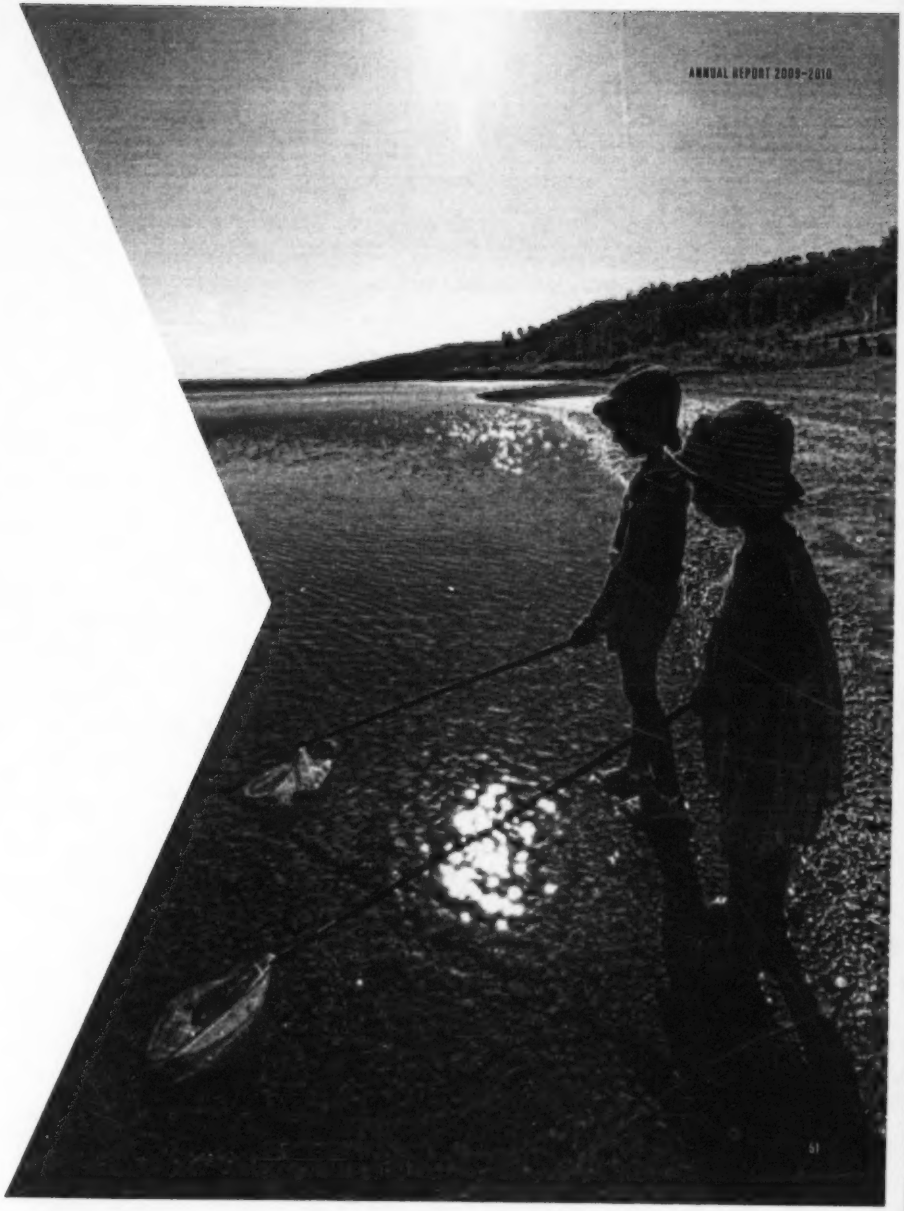
Travel Manitoba will continue to work to convey to the tourism industry and government the value of the industry to Manitoba's economy in order to encourage investment in sustainable partnered marketing and development initiatives. Research to support this investment will be accessible, timely and relevant to the decisions that need to be made. Travel Manitoba will also work to develop a labour force that is well educated, prepared to address industry challenges, and that understands the future benefits of implementing sustainable business practices.

## Strengthening an efficient and effective organization with a positive corporate culture

Travel Manitoba will continue to seek feedback from industry in order to monitor the degree to which stakeholders value and demonstrate pride in Travel Manitoba's programs and see the corporation as making a contribution to the success of the tourism industry.







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